



California Public Employees' Retirement System
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Agenda Item 5

June 13, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Alternative Investment Management (AIM)
Professional Staff Delegation of Authority
- II. **PROGRAM:** Alternative Investment Management (AIM) Program
- III. **RECOMMENDATION:** Adopt the Proposed Delegation Resolution for AIM
- IV. **ANALYSIS:**

Staff recommends the Investment Committee's adoption of the proposed *Delegation Resolution to the Professional Staff, Alternative Investments Management* (Delegation-AIM) (Attachment 1). With Investment Committee consent and approval, this document will formalize transfer of management and oversight authority for Alternative Investments Management (AIM) from the Chief Investment Officer (CIO) to the SIO-AIM (SIO-AIM).

Staff developed this Delegation in consultation with the Board's General Pension Consultant, Wilshire Consulting; the AIM program consultant, Pension Consulting Alliance (PCA); and the CalPERS Legal Office.

The following documents are attached for the Investment Committee's review:

- Proposed Delegation-AIM (Attachment 1)
- An opinion letter from the Investment Committee's General Consultant, Wilshire Consulting (Attachment 2)
- An opinion letter from the AIM program consultant, PCA (Attachment 3)

V. STRATEGIC PLAN:

CalPERS Strategic Plan Goals:

- Goal II to foster a work environment that values quality, respect, diversity, integrity, openness, communication, and accountability;
- Goal VIII to manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions

- Goal IX to achieve long-term, sustainable, risk adjusted returns.

VI. RESULTS/COSTS:

Updating this delegation to reflect current organization structure.

REAL DESROCHERS
Senior Investment Officer
Alternative Investment Management

JANINE GUILLOT
Chief Operating Investment Officer

JOSEPH A. DEAR
Chief Investment Officer